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Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 21st day of February, 2011, by and between Sonna Ryan whose address is 2386 Voyager Ter., Oak Harbor, WA 98277 as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash booms in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter

called leased premises:

Being Lot 18, Block 5R, Jinkens Heights Addition, an Addition to the City of Fort Worth, Tarram County, Texas, According to the Plat Recorded in Volume 388-80, Page 6, Plat Records of Tarrant County, Texas, including all streets, alleys, right of ways, gores and strips of land adjacent and configuous hereto and made a part hereof.

in the County of TARRANT. State of TEXAS, containing 0.30743 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes belium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessoe's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether a retailly more or less. whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions

Lesses covered hereby are produced in paying quantities from the leased premises or from lends pooled therewith or this leases is otherwise maintained in effect pursuants to the provisions hereof.

3. Royalties on oil, gas and other adultances produced and saved hereander shall be paid by Lesses to Lessor as follows: (a) For oil and other licitud hydrocarbons separated at Lesses's separator facilities, the royalty shall be twenty-five (28%) of such production, to be delivered at Lesses's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lesses shall have the continuing right to purchase each production of wellhead marker price then prevailing in the same field, their in the nearest field in which there is such a provabling price) for production of similar grade and gravity, (b) for gas (finching easing head gas) and all other subsannees covered hereby, the royalty shall be twenty-five (28% of the procuests regions by Lesses from the sale thereof), less a proportionism part of ad valorem traces and all other subsannees covered hereby, the royalty shall be twenty-five (28% of the procuests and the continuing right to purchase each production as the prevailing wellhead market price paid for production, severence, or other casies taxes and the costs incurred by Lesses in delivering, processing or otherwise maintained, but not continuing right to purchase such production as the prevailing price) practically purchases and production of the same field, then in the nearest field in which there is such a provabiling price) practically purchased and production of the same field, then in the nearest field in which there is such a provabiling price) parameter to companible purchase contrasts entered to to the same or nearest preveding date as the date on which Lesses commences its purchases hereunder, and (c) if at the end of the price parameter of the production therefore in an interest production therefore in an interest production therefore in the prod

envelop the leased premises as to formations than capable of producing in paying quantities on the leased premises for lands pooled therewith. There shall be no overlaid between the deliberation with any other lands or instruction, well or any additional wells except as expressly provided herein.

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or instruction.

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or instruction. The object of the production of the production whenever Lesses deems it accessary or proper to do so in order to productly develop or operate the leased premises, whether or not similar profing auditority exists with respect to such other lands or interests. The unit fromed by such probing for an oil well or gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance of 10%, and for a gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance of 10%, and for a gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance of 10%, and for a gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance of 10%, and for a gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance of 10%, and for a gas well or a horizontal completion shall not exceed 500 acres plus a maximum acreage relearance to the production of 100,000 cubic feet por barrel and "gas well" maximum acreage equipment; and the term "horizontal completion of the leased premises and the term developed programs of the production of 100,000 cubic feet por barrel and "gas well" maximum acreage equipment; and the term 'horizontal completion of the production of the production o

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- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tasks, water wells, disposal wells, injection wells, pits, effection and elephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, effecting any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or poads. In explaning, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on outlivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including jurisdiction including restrictions on the drilling and production of wells, shall be subject to all applicabl

easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interropted.

12. In the event that Lessoe, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor beneby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of lifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessee fails to remedy the breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the

that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

tream or meaning and Lessee taus to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore casement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shuri-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shuri-in royalties hereinder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without daress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

ACKNOWLEDGMENT

STATE OF WA countrof Islands

This instrument was acknowledged before me on the 25<sup>th</sup> da

MINA E MONING CANAL CANA HOTAA

02/01/2012 WASHINGHIN March

, 2011, by Sonna Ryan.

Notary Public. State of Notary's name (printed): Notary's commission expires: